

C. Density Study

DOWNTOWN DENSITY STUDY



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DOWNTOWN DENSITY STUDY

PART ONE – INTRODUCTION AND SUMMARY

BACKGROUND – COMPREHENSIVE PLAN

The Kenmore Comprehensive Plan Land Use Element (illustrated in **Figure LU-3, Appendix A**) is based upon several concepts, the following of which directly impact Downtown Kenmore:

- **Protection/maintenance of single-family residential areas.** This is a key concept of the Vision Statement to protect single-family areas and concentrate most multi-family in Downtown.
- **Concentration of commercial and business uses locations where they are currently located.** New commercial development would primarily occur in the form of redevelopment in Downtown to minimize intrusion into single-family areas and to effectively concentrate these uses where alternative transportation modes are or will be available.
- **Phasing out of Industrial Uses in favor of Mixed Uses (commercial and residential).** Industrial uses would be phased out over time through market forces, and mixed uses would replace them.
- **Creation of a Central Place in Kenmore.** Creating a Downtown is central to the Vision Statement provisions including a central place for the community, promotion of centrally located multi-family and mixed-use development with access to alternative modes of transportation, and other provisions. The northwest quadrant of the 68th Avenue and SR-522 intersection is selected as the area for a concentration of smaller-scale civic and mixed uses, while the southeast quadrant of the same intersection would be developed with larger-scale private mixed-use master planned developments. LakePointe would develop as planned in the southwest quadrant of the intersection. Three Special Districts create different areas of emphasis within the Downtown: Downtown - Community, Downtown - Master Plan Development, and Transportation Coordination Special Districts.

By assuming that single family areas are to be essentially retained, and commercial and multifamily uses are to continue to concentrate in central Kenmore and along arterials, a primary focus of the Kenmore Comprehensive Plan is the Downtown and where it should be located.

Recognizing the different character of the quadrants around the 68th Avenue NE and SR-522 intersection, the City has defined three Downtown Special Districts functioning as overlay districts, as shown in **Figure LU-8 of Appendix A**. The purposes and locations of each special district are as follows:

- **Downtown – Community Special District:** The Downtown – Community Special District would encompass the northwest quadrant of the 68th Avenue NE/SR-522 intersection including a defined Strategic Civic Investment Area plus an “influence area.” This District features a mix of private and public uses designed to create a small-town, pedestrian-friendly environment. Public places, sidewalks, extensive landscaping, transit-orientation, shared or structured parking, protection of environmentally sensitive areas, and high quality design and signage are key features. Permitted uses emphasize mixed or multiple use developments, and include high-density housing, civic and governmental, offices, small-scale commercial and retail, and locally oriented professional and personal services.
- **Downtown – Master Plan Development Special District:** The Downtown – Master Plan Development District encompasses the LakePointe and Plywood Supply area, emphasizes privately initiated master

plan developments, and would not have a concentration of civic uses. The Downtown – Master Plan Development District recognizes Kenmore’s position as a regional transportation center and features larger scale commercial, office, and multi-family developments. Mixed-use, compact development with coordinated internal circulation, shared or structured parking, compatible design and signage, and direct access to public transportation are encouraged. Emphasis is placed on public access to the waterfront, protection of environmentally sensitive areas, building modulation and façade treatments that help create a human scale, and land use/design transitions and linkages to neighboring districts.

- **Transportation Coordination Special District:** The Transportation Coordination Special District recognizes the need to emphasize multiple modes of transportation necessary for both the Downtown – Community and Downtown - Master Plan Development Special Districts. The Transportation Coordination District identifies a target area for a multi-modal transportation hub that allows for intra-community and regional transportation connections. Transit, passenger ferry, pedestrian, and bicycle opportunities would be particularly emphasized, although there would continue to be accommodation of automobiles. The District emphasizes minimum densities and floor area ratios that support higher levels of transit and alternative transportation services. The District also links the Downtown-Community and the Downtown-Master Plan Development Districts to emphasize coordinated multi-modal circulation as well as shared landscape and streetscape treatments between the Downtown districts.

The Downtown Subarea Plan will concentrate on two of the three Special Districts, the Downtown - Community and Transportation Coordination Special Districts, because it is anticipated that private development will occur according to market forces in the southwest and southeast quadrants of the 68th Avenue NE and SR-522 intersection (the Downtown Master Plan Development District), due to the desirability of the Lake Washington and Sammamish River location, and with the spillover effects of the LakePointe development.

Within the Downtown Community Special District, the City of Kenmore has designated the Northwest Quadrant of SR-522 and 68th Avenue NE as a Strategic Civic Investment Area (see Figure LU-10 in Appendix A) in the Downtown Element. It is likely that incentives will be needed to stimulate development in the northwest and northeast quadrants of the intersection, due to the numerous, small, privately owned parcels. To provide a “central place” for the community and to stimulate complementary private investment, the City will focus its civic investment in the northwest quadrant of 68th Avenue NE and SR-522 intersection.

The Strategic Civic Investment Area is anticipated to have the following features:

Land uses: Land use mix includes:

- Civic uses - Existing: City Hall, park-and-ride
- Civic Uses - New: Community center, library, public plazas
- Multi-family residential housing
- Office and service uses
- Retail services along SR-522
- Mixed-use and single use buildings

Key features:

- New “mixed-use” zone designation
- New development pattern after land assembly
- Public investment leads land assembly and public/private partnership for redevelopment
- Reconfiguration of existing and new civic uses into a core as Downtown anchor
- Location of civic center at 68th Ave. NE and SR-522 anchors development

- Area redesigned and developed as a “master plan”
- Structured parking includes park-and-ride closer to transit stops on SR- 522
- Public acquisition of block between NE 181 St. & SR-522 along with pedestrian bridge links civic core to LakePointe
- Realignment of NE 181st St. & 68th Ave. NE intersection
- Retail/services oriented to SR-522
- Street trees and sidewalks added to all streets
- Pedestrian walkways and open spaces link area together

An integrated circulation system would knit together the Strategic Civic Investment Area with the various Downtown districts:

- Loop road system around intersection of 68th Avenue and SR-522
- Walking paths / trail loop around Downtown
- Increased shoreline public access pedestrian links
- Pedestrian links throughout City Center
- Large blocks broken up with pedestrian walkways
- Existing street pattern remains with revisions of intersections at:
 - 68th Avenue NE and NE 181st Street
 - 68th Avenue NE and NE 175th Street
 - NE 181st Street and 73rd Avenue NE
- Sidewalks and street trees added throughout

PURPOSE OF DOWNTOWN DENSITY STUDY

During the Comprehensive Plan preparation, the Planning Commission became interested in the following aspects of planned densities:

- What density levels are sufficient to assure a range of alternative transportation modes, particularly in the Transportation Coordination Special District?
- Are the minimum, base and maximum densities set appropriately to encourage desired bonuses/incentives?
- Since the Downtown is identified as a “Density Receiving Area” for transferred “units” from Environmentally Sensitive Areas in particular, are the base and maximum densities set appropriately, and would there be a market for the sale of development rights?
- What are some regulatory barriers to achieving desired densities (such as limits on the number of wood floors of construction)?
- What do various densities look like?

The purpose of this Downtown Density Study is to respond to the above questions and provide preliminary recommendations and approaches, including regulatory amendments or strategies, that can be employed to ensure that Kenmore’s Downtown development meets the Vision Statement: “A community with an attractive, vital, pedestrian-oriented city center offering commercial, civic, cultural and park spaces, integrated with higher density housing.” A more detailed response to these and related questions will be provided as we proceed with our analysis.

DEFINITION OF DENSITY

There are many ways of defining densities. Density can be measured as people per acre, dwelling units per acre, etc. A person's perception of density can be influenced by building size, height, architectural treatments, landscaping, as well as their own feelings of comfort and safety, and socio-cultural background. Following are the definitions of density that we will utilize for purposes of this report (summarized from Enger, 1992):

- Gross density means the total number of dwelling units divided by the total land area of the site, with no exclusions or adjustments.
- Net density means the total number of dwelling units divided by the net area of the lot or site. The net area typically excludes roads, public open spaces, and community facilities such as utility rights-of-way. Critical areas may also be excluded. (The area for roads and parking alone may require 20 percent or more of the site.)

Appendix B gives examples of common housing forms and their typical density ranges, including photos in Kenmore. Examples of recently constructed residential developments in the Kenmore Downtown area, and their densities, are as follows (listed from north to south generally):

- Emily Lane, 68th Avenue NE and NE 191st Street, 24 dwellings Zoned R-12, gross density 10 du/acre.
- Heron Run (Family Housing), NE 182nd Street, 46 dwellings, Zoned R-48, gross density 32 du/acre.
- Heron Landing (Senior Housing), NE 182nd Street, 51 dwellings, Zoned R-48, gross density 51 du/acre.
- Regent Northshore House (Assisted Living), NE 182nd Street, 92 dwellings, Zoned R-48, gross density 54 du/acre.
- Sun Vista at LakePointe, NE 181st Street, 8 dwellings, Zoned R-24, gross density of 23 du/acre.
- Marina Cove, 6125 NE 175th Street, 33 condominiums, Zoned R-24, gross density 21 du/ac.

Outside of the Downtown vicinity, a recently constructed multifamily project consists of the Arrowhead Park Vista on Juanita Drive across from Arrowhead Elementary, zoned R-18, resulting in 16 du/gross acre. A relatively newer single family development south of Downtown is Northshore Glen off 78th Avenue NE, zoned R-4, with about 3 units per gross acre.

Another measure of development intensity is Floor Area Ratio (FAR): the total area of a building(s) divided by the total lot area. **Appendix B** provides an example of how floor area ratio is determined.

Maximum and minimum floor areas are most often expressed in regulations applied to commercial or office developments, but sometimes are applied to residential buildings. If a jurisdiction does not specify a density cap, then the maximum number of dwellings would be primarily determined by the FAR standard along with developer's desired unit size balanced with parking requirements.

IMPORTANCE OF APPROPRIATE DENSITIES

The density of development in a community can affect:

- Land consumption
- Costs of providing services
- Use of Public Transit

- Housing Affordability
- Community Character
- Compliance with other Public Policy Goals (i.e. Growth Management Act)
- Land Values and Tax Revenues

A community applies maximum density levels to address environmental concerns and avoid overburdening public services and facilities. However, in some areas of the Puget Sound as well as elsewhere, residential development is occurring at densities far lower than what is actually permitted depending upon market demand for certain housing types and densities. This can affect land consumption, services, transportation modes, and housing in particular.

Land Consumption. Intuitively, the lower the density, the greater the amount of land area that will be needed to accommodate the same number of people. The concern over land consumption and “sprawl” was a key component in establishing the Urban Growth Boundary in King County as well as land use and housing policies and densities. Background studies for King County’s Comprehensive Plan showed that achieving an overall average density of seven units per acre, rather than a past trend of four units per acre, could cut the overall land consumption by 50 percent.

Cost of Services. An influential report, The Cost of Sprawl, was prepared in 1974 by the Real Estate Research Corporation for several Federal agencies. The report reviewed economic costs (recreation, schools, streets, utilities, public services, land), environmental effects (air, water, noise, plants/wildlife, energy consumption), and personal effects (e.g. travel time, accidents, crime) of development patterns. The overall results indicate that “planning” to some extent, but higher densities to a much greater extent result in lower economic costs, environmental costs, natural resource consumption, and some personal costs.

More recently Dr. James Frank, Florida State University, reviewed and updated a number of the major comparative cost of development studies for the Urban Land Institute. He concluded that each of the studies was flawed in its own way, but that “taken together the studies reach similar conclusions: development spread out at low densities increases the costs of public facilities.” He also suggests that houses built in sprawling developments may cost 40 to 400 percent more to serve than they might if located in a more compact configuration, closer to major facilities, and if the developments incorporated a variety of housing types and densities. (Frank as summarized in Enger 1992)

Transit Service. Higher densities can offer three benefits to improved transit service: 1) routes to a relatively large number of points can be offered; 2) the cost per rider of operating transit is reduced when ridership increases; and 3) increased density allows transit service to be provided more frequently. (Morris 1996) A number of studies and sources point to a density threshold necessary to support regular transit service (about four to seven units to the acre for regular bus service and 15 units or higher per acre for high frequency bus service or transit station).

Housing Affordability. Assuring an adequate supply of housing, which matches the income needs of the community, can help avoid the increased housing costs associated with urban growth areas. Allowable densities affect the type and cost of housing. Typically, higher density housing is more affordable.

KENMORE DENSITY FRAMEWORK

Kenmore’s adopted zoning code (King County Code as interim) has not yet been amended to be consistent with the Kenmore Land Use Plan or policy directives included in the recently adopted

Comprehensive Plan. This section presents the code's density requirements as they exist presently, contrasting it to the Comprehensive Plan directives that will ultimately modify the existing regulations.

The City currently uses a gross density system is shown in **Table A**:

TABLE A
ZONE DENSITIES (BASED ON KING CO. CODE)

ZONE	MINIMUM DENSITY (PERCENT OF BASE)	BASE DENSITY	MAXIMUM DENSITY
R-1		1	
R-4		4	6
R-6		6	9
R-8		8	12
R-12	80%	12	18
R-18	75%	18	27
R-24	70%	24	36
R-48	65%	48	72
NB	None	8	12
CB	None	18	24
RB	None	36	48
Office	None	36	48
Industrial	None	N/A	N/A

Source: Kenmore Ordinance 98-0026 and King County Code

Waivers from the minimum density requirements are possible. Maximum densities are only achievable subject to density bonus criteria and density transfers from open space and sensitive areas.

Implementation of the Comprehensive Plan will result in changes to the Municipal Code density system:

- Minimum densities will continue to be eliminated in the single-family zones, i.e., R-4 to R-8. (Policy LU-2.3.2)
- Minimum densities will be applied in the multi-family and mixed use zones of twelve or more acres. (Policy LU-2.3.2)
- A density bonus is offered in the R-1 Zone only for a Transfer of Development Rights (TDR) program. (Policy LU-2.1.2)
- Density incentives are offered, generally, for innovative low-cost housing, or significant open space, public parks and public trails. In the Downtown, density incentives should be provided for shared and structured parking, or consolidation of lots. Density incentives are one method under consideration to provide additional usable landscaped areas. (Policy LU-2.3.5; LU-10.2.2)

In consideration of the above policy direction, the basic density approach in the Comprehensive Plan is as follows in **Table B**:

**TABLE B
DENSITIES –COMPREHENSIVE PLAN POLICY LU-2.1.2**

LAND USE/ZONE DISTRICT	BASE DENSITY/ MAXIMUM DENSITY WITH BONUS
Residential 1 Dwelling Unit Per Acre (R-1)	1 (4) ¹
Residential 4 Dwelling Units Per Acre (R-4)	4 (6)
Residential 6 Dwelling Units Per Acre (R-6)	6 (9)
Residential 8 Dwelling Units Per Acre (R-8)	8 (12)
Residential 12 Dwelling Units Per Acre (R-12)	12 (18)
Residential 18 Dwelling Units Per Acre (R-18)	18 (27)
Residential 24 Dwelling Units Per Acre (R-24)	24 (36)
Residential 48 Dwelling Units Per Acre (R-48)	48 (72)
Neighborhood Business (NB)	8 (12)
Community Business (CB)	18 (24)
Regional Business (RB)	36 (48)
Office (O)	36 (48)
Public and Private Institutions (PPI)	n/a
Special Study Area	Special District
Downtown –Community District	Special District
Downtown – Master Plan Development District	Special District
Transportation Coordination District	Special District

KENMORE DOWNTOWN DEVELOPMENT POTENTIAL

Having considered the present and proposed density system, attention can be paid to what development potential was assumed for the Downtown in the Comprehensive Plan, and the resulting density levels. To analyze the future impacts of the Kenmore Land Use Plan, the following assumptions were used for the year 2020.

The Final Integrated Kenmore Comprehensive Plan and Environmental Impact Statement (EIS) adopted in March 2001 (see Appendix A of that document for the full text of the method) analyzes the future impacts of the Kenmore Land Use Plan. As part of the analysis future development potential is estimated by applying the previously described densities to the amount of developable land available. The following assumptions were made to identify land available for development:

- **Industrial Property Conversion –Outside of Downtown:** Industrially Zoned properties were redesignated to Regional Business. New commercial development was assumed for these properties, displacing current industrial square footage. Except, however, the industrial square footages associated with the Air Harbor and Marina were assumed to remain.
- **Minimally Developed Parcels:** Less than \$10,000 in improvement value are assumed to redevelop.

¹ In the R-1 zone, the base density of 1 unit per acre may be transferred onsite to less constrained property. The bonus indicated in parentheses may only be transferred off-site to a density receiving area such as the Downtown. Bonus criteria are subject to requirements of the Kenmore Municipal Code.

- **Mobile Home Sites:** The mobile home parks in Kenmore have either multi-family or commercial designations, and were assumed to redevelop to multi-family uses in the future. The net number of units above the current number of mobile home units was calculated. Those sites with commercial zoning were assumed to convert to multi-family developments only with no commercial uses.
- **Park and Ride Lots (TOD):** The Kenmore Park-and-Ride lot on SR-522 was assumed to convert to a “Transit-Oriented Development” during the planning period. Aside from parking, development was assumed to be developed to the density of the current zoning, and it was assumed that 25% of the development would have commercial or retail uses. The Northshore Park and Ride lot in the Northwest Quadrant of SR-522 and 68th Avenue NE was estimated to redevelop consistent with Downtown redevelopment assumptions.
- **Partially Developed Properties:** Residential lots four times the minimum lot size and having only one dwelling are assumed to redevelop.
- **Properties Zoned Multi-Family with Non-Multi-Family Uses.**
- **Single -Family Dwellings on Commercial/Industrial Zoned Sites.**
- **Vacant Parcels .**

In analyzing potential residential and commercial land capacity, discount factors and market factors were applied to the land to account for critical areas, new roads, owners not wishing to subdivide their land, etc. Densities or floor area ratios were applied to the discounted gross acreage or square footage of properties meeting the analysis criteria above. Density assumptions are shown in **Table C**:

**TABLE C
DENSITY ASSUMPTIONS – 2020 CAPACITY ANALYSIS**

ZONE	BASE DENSITY	MAXIMUM DENSITY	DENSITY ASSUMPTION
R-1	1	Max. would be 4, but may only be transferred offsite	1
R-4	4	6	4.5
R-6	6	9	6.5
R-8	8	12	8.5
R-12	12	18	15
R-18	18	27	22.5
R-24	24	36	30
R-48	48	72	60

Source: Kenmore Final Integrated Comprehensive Plan and EIS, March 2001, Appendix A

The assumption for single-family zones was that density bonuses would occur onsite less often, whereas for multi-family sites the mid-point of the range was most often used because there are typically fewer constraints and a higher likelihood that bonuses would be used to maximize returns on investments.

Floor area ratios were generally assumed to be 0.5 for commercial, office, or industrial development. In a suburban setting, floor area ratios of actual development can be less. However, to achieve sufficient employment densities for transit use, the minimum floor area ratio is about 0.5 (see Part 2). It was assumed that future development would meet this minimum standard to help encourage greater amounts of transit usage.

Downtown Assumptions

Downtown was divided into four quadrants for analysis, centered on the intersection of 68th Avenue NE and SR-522. Development assumptions for the Northeast Quadrant of Downtown followed the above assumptions and methodology. Development assumptions for the Northwest, Southwest and Southeast Quadrants around SR-522 and 68th Avenue NE differed from the above parameters, and are described below:

- For the Northwest and Southeast Quadrants of 68th Avenue NE and SR-522, the density (26.67 du/acre) and floor area ratio of LakePointe were utilized rather than the maximum density/floor area ratio of the RB zone which is higher than the LakePointe development density and floor area ratio. The LakePointe development appeared to be a reasonable example based on the market which was in the range of RB zone requirements.
- For the Northwest and Southeast Quadrants assumed the lot coverage of the RB zone.
- For the Northwest Quadrant, which will be more community-serving than region-serving, an additional reduction of 20% of the commercial and office development was made.
- Assumed that 50% of area in Northwest Quadrant and the Southeast Quadrant will have residential, 25% will have commercial retail, and 25% will have office uses. (The RB zone currently promotes mixed-use development with 50% of the building floor area being residential.)
- The office figure for the existing civic area at 73rd Avenue NE and NE 181st Street shows a reduced demand for office due to concentration of civic elsewhere (i.e. Northwest Quadrant).
- Development in the Southeast Quadrant was assumed to displace existing Industrial uses.
- LakePointe: The development potential of LakePointe was included. The amount of development equals:
 - 1,200 multi-family residential units
 - 270,952 square feet of commercial (including the 8-screen cinema)
 - A 150 room hotel with an 80% occupancy rate (equals 120 rooms)
 - 205,588 square feet of office
 - A 27-slip marina

The LakePointe development would displace some existing industrial. The five acres to the west of the LakePointe site were assumed to be Regional Business, with similar development assumptions as LakePointe.

Table D summarizes the 1999 and 2020 development estimates, excluding marinas, hotels, and industrial development, by Downtown transportation analysis zones (TAZ's; identified in **Appendix A**) making up the Downtown area. The Northwest Quadrant is largely contained in TAZ's 9 and 13.

TABLE D
DOWNTOWN DEVELOPMENT BY TRANSPORTATION ANALYSIS ZONES
(SEE MAP IN APPENDIX A)

1999 EXISTING LAND USE

Zone	Single Family	Multi-family	Gross Density (DU/AC)	Commercial	Office	Employees (Emp/AC)
9	0	0	0.00	66,772	4,167	41.47
10	0	0	0.00	27,288	6,913	11.31
11	0	0	0.00	0	16,870	1.28
13	0	96	5.77	82,215	9,881	17.79
30	6	15	1.41	11,088	0	6.48
31	3	81	5.12	11,771	3,813	3.05
32	1	20	1.27	98,775	0	19.18
33	2	93	2.65	29,132	24,529	4.80
34	2	227	4.69	17,614	0	1.16
Total	14.00	532.00		277,883.00	62,006.00	
Average			2.32			7.23
Average without Zone 33*			2.03			7.99

2020 FUTURE LAND USE

Zone	Single Family	Multi-family	Gross Density (DU/AC)	Commercial	Office	Employees (Emp/AC)
9	0	152	27.64	80,898	54,092	78.92
10	0	25	2.57	37,845	17,667	18.36
11	0	1,378	32.48	356,351	308,317	50.37
13	0	417	25.05	106,256	115,654	42.86
30	6	474	32.21	0	0	0
31	3	369	22.66	45,244	22,137	13.19
32	1	38	2.36	151,741	4,726	30.38
33	3	260	7.32	39,935	24,529	5.77
34	2	1,088	22.32	372,489	322,628	45.77
Total	15	4,201		1,190,759	869,750	
Average			19.4			31.74
Average without Zone 33*			20.91			34.98

Note: *Transportation Analysis Zone (TAZ) 33 extends beyond the Transportation Coordination Special District Boundary and includes R-1 zoned property near Swamp Creek. For this reason, the averages are shown with and without this TAZ.

Comparing 1999 to 2020 development estimates the Kenmore Comprehensive Plan assumes a higher level of density and employment than currently exists today. These figures can be reviewed against recommended thresholds for densities in downtowns, and how they may support transit, desired housing and amenities, and protections of environmentally sensitive areas.

SUMMARY OF DENSITY STUDY (PARTS 2 THROUGH 5)

Density and Transportation

A number of studies and sources point to a density threshold necessary to support regular transit service (about four to seven units to the acre for regular bus service and 15 units or higher per acre for high frequency bus service or transit station). The planned levels of development assumed in the Downtown area (about 21 dwelling units per acre and 35 employees per acre) are consistent with the majority of recommended transit-supportive density levels. The strategies outlined for the Strategic Civic Investment Area and the Transportation Coordination Special District also relate to the Puget Sound Regional Council's guiding principles in developing a Transit Station Community, which the Northwest Quadrant has the potential to function as in addition to functioning as the Downtown.

However, improvements to the current density framework should occur with respect to supporting transit, particularly when there are periods of slowing market activity:

- Amend the Zoning Code to require minimum densities of at least 15 dwelling units per acre for projects with residential components within the Downtown Community Special District and Transportation Community Special District. Density requirements would be in addition to floor area requirements for residential uses in the mixed-use zones. Currently the mixed-use zones (RB and O in particular) do not have a minimum density requirement, only the multi-family zones do.
- As Northwest Quadrant Master Plan Concepts are prepared as part of the Downtown Subarea Plan, potentially consider a different and higher residential density range for specific properties in the Northwest Quadrant as it is the likely location for a regional and local bus station, and a potential connection point to Lake Washington Ferry service. The overall gross density in the Downtown area may not change, but the densities allowed on specific properties may be altered to address the likely location of residential uses in relationship to a Civic Center and Multi-Modal Transit Center.

Additional recommendations will be developed with the preparation of Northwest Quadrant Master Plan Concepts and subsequent Zoning Code Alternatives.

Density Bonuses and Incentives

Zoning incentive systems began to be instituted in the late 1950s and early 1960s. Cities sought amenities from developers to improve City appearance and function without spending public dollars. Affordable housing incentives, including mandatory or voluntary bonuses for affordable housing, also began in the early 1960s to ameliorate in part exclusionary zoning practices that were impeding the ability of low-income households and minorities from obtaining housing in a community. (summarized from Morris 2000)

Under existing regulations, Kenmore (via King County regulations) offers density bonuses based upon the provision of affordable housing, open space/trails/parks, historic site dedication or restoration, and energy conservation. Comprehensive Plan policies LU-2.3.5 and LU-10.2.2 would shorten the current list of amenities available generally in the Community to innovative low-cost housing, or significant open space, public parks and public trails. In the Downtown, density incentives are promoted for shared and structured parking, or consolidation of lots. Also, density incentives are one method under consideration to provide additional usable landscaped areas (Policies LU-2.3.5 and LU-10.2.2).

Should the City pursue adding density or floor area bonuses for structured/shared parking, lot consolidation, and pervious surface as the most appropriate method of achieving these goals, then

additional economic analysis matching the size of bonus to the amenity should be conducted. However, at this time, it is unlikely due to market conditions that there will be a great demand to utilize the bonus systems (see Downtown Market Study prepared by Property Counselors). Density bonus systems tend to work well if market rents/prices are high, land values are high, and land is scarce. Not all these factors are present at this time. Given the current conditions, the general recommendations at this time include:

- Maintain the density bonus system for affordable housing which has been recently used by Kenmore Senior Housing.
- Maintain the density bonus system for parks/recreation/open space, pending the outcome of the City Parks Plan which may offer or add other ideas to increase recreational amenities.
- Maintain the floor area bonus for structured parking and the parking reduction for shared parking. No changes are recommended at this time, but may be revisited with the development of the Northwest Quadrant Master Plan and Zoning Alternatives.
- Outright require lots in common ownership to be consolidated², and/or waive permit fees associated with lot consolidation such as lot line adjustments, and/or City acts as a facilitator matching compatible owners that can work jointly to consolidate and sell/develop, and/or City purchases land as part of the Civic Center development, and consolidates/resells surplus property (applies only to the Northwest Quadrant).
- Amend basic maximum impervious surface standards, particularly outside of Downtown, or pursue offsets to utility system or mitigation fees.
- Ensure that with minimum densities, development can be phased in a manner which does not preclude higher density/intensity development in the future.

Density Transfers

Transfer of Development Rights (TDR) is the shifting of the future development potential from one property to another (Bredin 1998). The City has several examples to review when instituting a TDR program. The King County system is currently adopted by the City by virtue of adopting the County code as an interim set of regulations. It is apparent that to make a program successful as Seattle and King County have the City will have to play an active roll, such as establishing a TDR bank and/or facilitating communication between buyers and sellers.

However, at this time, it is unlikely due to market conditions that there will be a great demand to utilize a TDR system (see Downtown Market Study prepared by Property Counselors). Density bonus systems tend to work well if market rents/prices are high, land values are high, and land is scarce. Not all these factors are present at this time. Given the current conditions, the general recommendations at this time include:

- Do not adjust the Downtown base densities to “create” a market for TDR or bonuses (Part 3). Ensure that with minimum densities, development can be phased in a manner which does not preclude higher density/intensity development in the future.

² Requirements which many jurisdictions address include disallowing buildings to be constructed over property lines, requiring accessory uses such as parking to be located on the same lot as the uses they support, and requiring related project components to be located on the same lot such as multiple buildings in a complex that share common areas or access.

- As part of Policy LU-2.3.7 which promotes an ecological study of the Swamp Creek area and zoning incentives, study and recommend a TDR system that will achieve the City's goals for both ecological resource protection and Downtown mixed-use, compact development. Consider modifying the King County system modeled after Pinelands, New Jersey and Montgomery County since it appears to be simpler to administer than the Seattle system. Prioritize other density incentives against TDR bonuses, and consider requiring a certain percentage of bonus density to be derived from TDR.
- In the interim, allow for TDR to occur through the County regulations adopted by the City. Eliminate provisions allowing for apartments and condominiums to be permitted outright in the single family zones, since Policy LU-1.3.1 promotes single family uses primarily in the single family zones (will also lead to conditional use allowances for townhomes and apartments in these same zones to be eliminated).

Barriers to Density - Height

Despite generous height and floor area ratio standards in the Zoning Code, another set of standards in the Uniform Building Code may limit the ability of a developer to provide higher density, mixed-use structures. For multi-family structures, the Uniform Building Code limits the number of floors, floor area, and height based on the type of construction.

Consistent with Comprehensive Plan Policy LU-2.3.3, the City of Kenmore is reviewing its adopted Uniform Building Code and making amendments to remove barriers to achieving desired densities, such as increased stories of wood frame construction. The City's consulting building inspectors have recommended the following amendments for consideration at this time:

- Allowing building heights of 65 feet (5 stories of wood frame above concrete level)
- Increasing allowed building floor area by 25%.
- Requiring a percentage of windows to be within Fire Apparatus Ladder reach.
- Requiring 2-hour fire protection for the first floor, and for exit stairways.
- Pressurizing elevator shafts and stairway areas, in case of fire to prevent smoke from entering these areas.
- Requiring the equipment of a standby emergency power generator.
- Requiring special inspections of structural elements.
- Limiting the location where the more permissive regulations are allowed (e.g. Downtown).

Barriers to Density – Parking

Managing the growth of surface parking represents a major challenge to transit-oriented development such as is planned, primarily in the Northwest Quadrant of SR-522 and 68th Avenue NE and the Transportation Coordination Special District. Typical suburban development projects devote 50 to 75% of their sites to surface parking. The result is land use densities that are too low to serve with frequent and fast regional transit service. A more limited parking supply encourages residents, shoppers, and employees to use transit. (PSRC 1999)

It is recommended that parking requirements be reviewed to ensure sufficient minimum parking standards for uses while also establishing maximum parking levels to prevent perpetuation of current auto-oriented conditions in Downtown Kenmore (e.g. oversupply of parking in Kenmore Village and along SR-522 at many retail complexes).

PART TWO – DENSITY AND TRANSPORTATION

What density levels are sufficient to assure a range of alternative transportation modes, particularly in the Transportation Coordination Special District?

RELATIONSHIP OF DENSITY AND TRANSIT

In the last fifty years, American suburbs have largely developed around the automobile. The automobile has influenced street widths, lot sizes, single use districts, sprawl, and strip-commercial development, among other community characteristics. Continuing to provide road capacity to facilitate automobiles primarily has not solved congestion problems. In more recent years, there has been much research regarding the benefits of compact higher density and mixed-use developments to allow for alternative modes of travel including pedestrian, bicycle, and transit.

Higher densities can offer three benefits to improved transit service: 1) routes to a relatively large number of points can be offered; 2) the cost per rider of operating transit is reduced when ridership increases; and 3) increased density allows transit service to be provided more frequently. (Morris 1996)

A number of studies and sources point to a density threshold necessary to support regular transit service:

- **General.** One study found that densities between two and seven units per acre produced only marginal use of public transportation while densities of seven to 30 units per acre were necessary to sustain significant transit use. The latter density range can produce an increase in transit use, and a reduction in auto travel. (Pushkarev and Zupan as quoted in Enger 1992)
- **Metro - King County.** Metro plans for service based upon population and employment density. As a measure of transit service adequacy, a Metro Transit staff addendum titled Draft Service Level Guidelines prepared for the 1996 six-year plan may be utilized. These suggested guidelines were not adopted, although they still provide a means of measuring the adequacy of transit service within a community. The suggested service levels were categorized by population density. Kenmore's existing density equals 2,814 people per square mile overall, and 4,500 + people per square mile within the core (an area north of SR-522 surrounding 68th Avenue NE). Based on these figures, service to Kenmore should be either high medium or low medium urban density.

High medium urban density includes:

- Service to activity centers or urban centers via transit hub, including Park and Ride lots.
- Circulation within neighborhoods.
- Transfer connections to other neighborhoods.
- Span of service 6 a.m. to 11 p.m.
- Weekday peak service frequency: 30 minutes or better, also express service.
- Weekday off-peak service frequency: 30 minutes or better.
- 90 percent of the population should have less than a one-half mile to walk.

Low medium density includes:

- Peak hour direct service to regional system and urban centers; may be accessed directly or via feeder service via transit hub including Park and Ride lots.
- Service to activity area or urban center accessed via feeder service or via transit hub including Park and Ride lots.
- Span of service 6 a.m. to 7 p.m.

- Weekday peak service frequency: 30 minutes or better service from Park and Ride lots, also express service (direct service depends upon demand).
- Weekday off-peak service frequency: 60 minutes or better from Park and Ride lots (direct service depends upon demand).
- Driving distance to Park and Ride lots should be a maximum of five miles.

Based on these guidelines, the core area of Kenmore should have increased service today, and this will become even more important as the Kenmore Comprehensive Plan is implemented and higher density and intensity development occurs in the Downtown. Metro staff is aware of this issue and are discussing additional off-peak service.

- **Puget Sound Regional Council.** Recognizing the planning efforts for regional bus service, light rail and heavy rail systems and stations, the Puget Sound Regional Council published Creating Transit Station Communities in the Central Puget Sound Region in June 1999.
 - The report suggests that residential densities should approach 7 to 8 households per gross acre to support local bus service connections to a transit station. Household densities should reach, at a minimum, 10-20 dwelling units per gross acre close to a transit station facility.
 - Employment densities of 25 jobs per gross acre will support frequent high-capacity transit service if employment is clustered close to the facility. A density of 50 jobs per acre is a preferred target for higher frequency and high-volume service provided by light rail.
 - Commercial uses with surface parking should strive to achieve a floor area ratio (FAR) of between 0.5 to 1.0; and a FAR of 2.0 can easily be achieved with structured parking. Density is less important for commercial retail than is a mix of appropriate services.

The report stresses four guiding principles for creating Transit Station Communities: 1) Compact, Mixed Use Development, 2) Pedestrian Friendly Design, 3) Parking and Access Management, and 4) Adapting Principles to Fit Community Goals, Station Area Context, and Local Market Conditions.

- **Snohomish County.** Finally, Snohomish County Tomorrow in July 1999 issued Transit Oriented Development Guidelines which utilized PSRC recommendations above and translated them into specific regulatory proposals for the jurisdictions in their County, including some which will host multi-modal ferry terminals and light and heavy rail stations. The report lists proposed densities by the type of transit improvement as summarized in **Table E**:

**TABLE E
SNOHOMISH COUNTY TOMORROW TOD RECOMMENDATIONS**

TRANSIT FACILITY TYPE	RESIDENTIAL DENSITY (DU/AC)	FLOOR AREA RATIO	EMPLOYMENT DENSITY
Bus Stop in Low Density Areas	4-9	None	None
Bus Stop in Other Areas	8-40	0.4-0.5	None
Bus Stop in Urban Centers	15-50	0.5-0.75	20-40
Bus Station	8-40	0.5 within 1,320 ft. of stop and .4 elsewhere, except hotels and motels, 0.75	15-20
Park and Ride Lot	8-40	0.4-0.5	None

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TRANSIT FACILITY TYPE	RESIDENTIAL DENSITY (DU/AC)	FLOOR AREA RATIO	EMPLOYMENT DENSITY
Bus Corridor	8-40	0.5 within 1,320 ft. of stop and .4 elsewhere, except hotels and motels, 0.75	None
Multi-Modal Station	>45	0.5-0.75	20-40

KENMORE DOWNTOWN PLANS & RECOMMENDED DENSITIES

As can be seen in **Table D** on page 12, the planned levels of development assumed in the Downtown area (about 21 dwelling units per acre and 35 employees per acre) are consistent with the majority of recommended transit-supportive density levels. The strategies outlined for the Strategic Civic Investment Area and the Transportation Coordination Special District also relate to the Puget Sound Regional Council's guiding principles in developing a Transit Station Community, which the Northwest Quadrant has the potential to function as in addition to functioning as the Downtown.

However, improvements to the current density framework should occur with respect to supporting transit, particularly when there are periods of slowing market activity:

- Amend the Zoning Code to require minimum densities of at least 15 dwelling units per acre for projects with residential components within the Downtown Community Special District and Transportation Community Special District. Density requirements would be in addition to floor area requirements for residential uses in the mixed-use zones. Currently the mixed-use zones (RB and O in particular) do not have a minimum density requirement, only the multi-family zones do.
- As Northwest Quadrant Master Plan Concepts are prepared as part of the Downtown Subarea Plan, potentially consider a different and higher residential density range for specific properties in the Northwest Quadrant as it is the likely location for a regional and local bus station, and a potential connection point to Lake Washington Ferry service. The overall gross density in the Downtown area may not change, but the densities allowed on specific properties may be altered to address the likely location of residential uses in relationship to a Civic Center and Multi-Modal Transit Center.

Additional recommendations will be developed with the preparation of Northwest Quadrant Master Plan Concepts and subsequent Zoning Code Alternatives.

PART THREE – DENSITY BONUSES AND INCENTIVES

Are the minimum, base, and maximum densities set appropriately to encourage desired bonuses/incentives?

PURPOSE OF DENSITY INCENTIVES

Zoning incentive systems began to be instituted in the late 1950s and early 1960s. Cities sought amenities from developers to improve City appearance and function without spending public dollars. Chicago was the first City to adopt a zoning incentive system in 1957. In exchange for additional density, developers were to provide public plazas and arcades. New York City began to offer zoning incentives in 1961, and continues to have one of the most extensive systems. New York City's bonuses focus on two areas: street level amenities (e.g. public plazas, arcades, and shopping galleries) in high-density residential and commercial areas, and neighborhood character preservation (e.g. theater districts). Affordable housing incentives, including mandatory or voluntary bonuses for affordable housing, also began in the early 1960s to ameliorate in part exclusionary zoning practices that were impeding the ability of low-income households and minorities from obtaining housing in a community. (summarized from Morris 2000)

One recent Kenmore development has utilized the City's density bonus system - the newly constructed Kenmore Senior Housing project which received a bonus of 2 dwelling units for the provision of affordable housing. Generally since Kenmore's incorporation, recent developments have not requested bonuses.

Since the City is interested in amending its list of bonus items, the remainder of this section addresses issues to consider when establishing bonuses, and comparisons with other jurisdictions' bonus systems.

ESTABLISHING A BONUS SYSTEM

The first issue to address when considering an incentive program is whether the desired amenity or use should be provided by the local government, required outright from new development, or whether the desired amenity should be encouraged and left to chance (or strength of the private market) as to when it will be provided. If determining that the amenity or use should be encouraged through an incentive system, the following issues should be considered (Morris 2000):

- Establish the purpose for providing the incentives such as providing open space, mitigating the impacts of development, etc., and recognize which amenities should be provided by government and which should be required of the developer.
- Select the desired amenities to meet the community's objectives.
- Determine the bonuses to be granted, and match the appropriate bonus to each amenity.

In general, the value of the bonus (e.g. additional dwelling units or floor area) should be proportionate to the cost to the developer of providing the amenity. If the cost of the amenity exceeds the value of the bonus, there will not be much use of the system. Also, if the incentives result in densities that do not match what the private market is demanding, the program may not be used. Manipulating the "base" densities to create an incentive for using the incentive program is not recommended since it

could be challenged on the basis of “artificially lowering development” and almost coercing participation in an otherwise voluntary program.

With regard to matching bonuses to amenities, there are several numeric methods that can be used:

- **Equivalent Land-Cost Model:** Compares the costs of providing the amenity to the cost a developer would incur by purchasing additional land. Seattle and Bellevue have used this method to determine the size of bonuses.
 - **Equivalent Development Rights Model:** Considers what a developer would have to pay to acquire additional development space or rights on the open market and not merely additional land acquisition costs. New York City uses this method to determine its low income housing bonus.
 - **Marginal Cost-to-Profit Approach:** Reviews the marginal profits derived from bonus office space to the cost of the amenity the developer chooses to provide, which requires cost per square foot data and projected developer revenues to accurately price the amenity. This approach was used by San Francisco when it had a bonus program.
- **Administering the Bonus Program.** The central issue is whether to grant bonuses as of right or to use a discretionary negotiation system. As-of-right bonuses spell out the precise elements of each bonus feature and its corresponding density gain. King County’s (Kenmore’s) system is an “as-of-right” system whereas, in some cases, jurisdictions use a discretionary process (e.g. a conditional use process) for certain items, e.g. Seattle and Renton.

COMPARISON OF BONUSES OFFERED

While jurisdictions may utilize various methods to match bonuses to amenities, it is apparent that more highly sought features are awarded higher bonuses, as is shown in **Table F**. Also, some ordinances specify that a certain percentage of a bonus area should be related to a certain item (e.g. 75 percent of a bonus to be achieved through housing).

**TABLE F
COMPARISON OF BONUSES OFFERED**

AMENITY/USE	BELLEVUE (DOWNTOWN)	KENMORE (KING COUNTY) – CITYWIDE	SEATTLE (DOWNTOWN)
Arcade	4 to 8 s.f. of bonus area per 1 s.f. of arcade		
Awning	0.5 to 1 s.f. of bonus area per 1 s.f. of awning		
Child Care	8 s.f. of bonus area per 1 s.f. of day care		1 s.f. of bonus area per 0.000127 of child care slot
Energy Conservation		0.15 bonus unit per unit that saves maximum space heat energy or provides non-electric heat source. 10 % above base density for developments within ¼ mile of high frequency transit routes	

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AMENITY/USE	BELLEVUE (DOWNTOWN)	KENMORE (KING COUNTY) – CITYWIDE	SEATTLE (DOWNTOWN)
Hillclimb Assist, shopping corridor, or transit tunnel station			0.5 FAR for each feature, regardless of size
Historic Preservation		.5 bonus units per acre of historic site or 1,000 s.f. of building restored	
Housing	1 bonus market rate unit for 1 affordable unit, up to 15% above the maximum density permitted in the underlying zoning district. Market Rate Bonus Downtown Districts: 4 s.f. of bonus area per 1 s.f. of residential use.	.75 to 1.5 bonus units for each affordable unit Higher bonus for Very Low Income, or Owner Occupied Moderate Income Households	1 s.f. of bonus floor area per 0.19 to 0.076 s.f. of affordable housing
Landmark Performing Arts Restoration and Preservation			12 s.f. of bonus area for each 1 s.f. of performing arts theater space rehabilitated
Landscape Improvements	2 s.f. of bonus area per 1 s.f. of landscaping 8 s.f. of bonus area per 1 s.f. of landscape feature (focal point and visual landmark)		
Marquee	2 to 4 s.f. of bonus area per 1 s.f. of marquee		
Non-Profit Social Services	4 s.f. of bonus area for 1 s.f. of social service space		7 s.f. of bonus area per 1 s.f. of human service feature
Open Space, Trails and Parks	Public – 3 to 8 s.f. of bonus area per 1 s.f. of park. Private - 4 s.f. of bonus area per 1 s.f. of active recreation area for tenants, or residential entry courtyard.	.5 to 2.5 bonus units per acre of park or open space or ¼ mile of trail Highest bonus for multi- purpose trail.	15,000 s.f. per open space amenity (minimum of 5,000 s.f. in size)
Parking	Underground - 0.5 to 3 s.f. of bonus area per 1 s.f. of underground parking Under Residential Structure – 1 to 4 s.f. of bonus area per 1 s.f. of under structure parking	0.5 to 1 FAR (not density) bonus for structured parking	Applicants may request that gross floor area below grade and accessory parking be exempt from FAR calculations.

Kenmore Downtown Subarea Plan: Targeted Studies

AMENITY/USE	BELLEVUE (DOWNTOWN)	KENMORE (KING COUNTY) – CITYWIDE	SEATTLE (DOWNTOWN)
Pedestrian-Oriented Street Frontage	100 to 200 s.f. of bonus area per 1 linear foot of Pedestrian Oriented Street Frontage		
Performing Arts Space	10 s.f. of bonus area per 1 s.f. of Performing Arts Space		
Plaza	4 to 8 s.f. of bonus area per 1 s.f. of plaza 2 to 10 s.f. of bonus area per 1 s.f. of enclosed plaza		
Public Meeting Rooms	2 s.f. of bonus area per 1 s.f. of meeting room		
Public Restrooms	4 to 8 s.f. of bonus area per 1 s.f. of public restroom		7 s.f. of bonus area per 1 s.f. of restroom
Retail Food	2 s.f. of bonus area for 1 s.f. of retail food area		
Sculpture	5 s.f. of bonus area per 1 s.f. of sculpture display area		

Note: In Bellevue and Seattle, minimum sizes of bonus feature are often established, for instance, a minimum of 10,000 s.f. of park area must be donated to the City of Bellevue to obtain the bonus.

Under existing regulations, Kenmore (via King County regulations) offers density bonuses based upon the provision of affordable housing, open space/trails/parks, historic site dedication or restoration, and energy conservation. Comprehensive Plan policies LU-2.3.5 and LU-10.2.2 would shorten the current list of amenities available generally in the Community to innovative low-cost housing, or significant open space, public parks and public trails. In the Downtown, density incentives are promoted for shared and structured parking, or consolidation of lots. Also, density incentives are one method under consideration to provide additional usable landscaped areas (Policies LU-2.3.5 and LU-10.2.2).

Although not density based, Kenmore's floor area regulations encourage structured parking in mixed-use zones. Also, with the ability to construct more floors of wood frame construction (Part 5), it may be more feasible to construct under-building or underground parking. With regard to shared parking, 20 percent of the required parking can be reduced for mixed-use developments under current regulations, and this kind of incentive should be retained (KCC 21.A.14.130). No changes are recommended at this time, but may be revisited with the development of the Northwest Quadrant Master Plan and Zoning Alternatives. If density bonuses are not the type of incentive used for structured/shared parking, then Policy LU- 2.3.5 should be amended to allow for flexibility in the regulatory approach to encourage structured/shared parking.

Jurisdictions sampled do not have density or floor area incentives for lot consolidation as is recommended in Kenmore Comprehensive Plan policies. Kenmore can consider adding bonus regulations for lot consolidation, or choose other methods: Outright require lots in common ownership to be consolidated³,

³ Requirements which many jurisdictions address include disallowing buildings to be constructed over property lines, requiring accessory uses such as parking to be located on the same lot as the uses they support, and requiring related project components to be located on the same lot such as multiple buildings in a complex that share common areas or access.

waive permit fees associated with lot consolidation (lot line adjustments or short plats), City facilitate/match compatible owners that can work jointly to consolidate and sell or develop, and/or City land purchase as part of the Civic Center development, and consolidation/resale of surplus property (applies only to the Northwest Quadrant). If density bonuses are not the type of incentive used for lot consolidation, then Policy LU- 2.3.5 should be amended to allow for flexibility in the regulatory approach to encourage lot consolidation.

Another policy directive is to offer additional density bonuses or other incentives to promote usable landscaped areas beyond that required by standard regulations, as Bellevue and Seattle do. At the time of Kenmore policy development, the idea was to promote more pervious surfaces (i.e. softscape areas with vegetation and allowing for water infiltration, as opposed to hardscape - asphalt, concrete, or building structures). It may be appropriate to institute a pervious surface bonus/incentive outside of the Downtown, since within the Downtown development is to be concentrated, and is identified as a density receiving area (Part 4). Even without an incentive, the Downtown Design Guidelines will address urban-style landscaping. In any case, maximum impervious surface allowances will likely be amended as a result of regulatory responses to the Endangered Species Act and implementation of the City's Surface Water Management Program. This is a case where the basic standards may need to be adjusted to achieve City objectives rather than leave the issue to a bonus. Other options to encourage usable pervious surfaces could include offsets to utility system or mitigation fees (e.g. surface water utility fees or park mitigation fees).

RECOMMENDATIONS

Should the City pursue adding density or floor area bonuses for structured/shared parking, lot consolidation, and pervious surface as the most appropriate method of achieving these goals, then additional economic analysis matching the size of bonus to the amenity should be conducted. However, at this time, it is unlikely due to market conditions that there will be a great demand to utilize the bonus systems (see Downtown Market Study prepared by Property Counselors). Density bonus systems tend to work well if market rents/prices are high, land values are high, and land is scarce. Not all these factors are present at this time. Given the current conditions, the general recommendations at this time include:

- Maintain the density bonus system for affordable housing which has been used by Kenmore Senior Housing.
- Maintain the density bonus system for parks/recreation/open space, pending the outcome of the City Parks Plan which may offer or add other ideas to increase recreational amenities.
- Maintain the floor area bonus for structured parking and the parking reduction for shared parking. No changes are recommended at this time, but may be revisited with the development of the Northwest Quadrant Master Plan and Zoning Alternatives.
- Outright require lots in common ownership to be consolidated⁴, and/or waive permit fees associated with lot consolidation such as lot line adjustments, and/or City acts as a facilitator matching compatible owners that can work jointly to consolidate and sell/develop, and/or City purchases land as part of the Civic Center development, and consolidates/resells surplus property (applies only to the Northwest Quadrant).

⁴ Requirements which many jurisdictions address include disallowing buildings to be constructed over property lines, requiring accessory uses such as parking to be located on the same lot as the uses they support, and requiring related project components to be located on the same lot such as multiple buildings in a complex that share common areas or access.

- Amend basic maximum impervious surface standards, particularly outside of Downtown, or pursue offsets to utility system or mitigation fees.
- Ensure that with minimum densities, development can be phased in a manner which does not preclude higher density/intensity development in the future.

PART FOUR – DENSITY TRANSFERS

Since the Downtown is identified as a “Density Receiving Area” for transferred “units” from Environmentally Sensitive Areas in particular, are the base and maximum densities set appropriately, and would there be a market for the sale of development rights?

TRANSFER OF DEVELOPMENT RIGHTS

Transfer of Development Rights (TDR) is the shifting of the future development potential from one property to another (Bredin 1998). The property owner selling the credits owns the “sending” lot and the property owner/developer purchasing the development rights owns the “receiving” lot. The purpose is to mitigate the impact of restrictive regulations on a property (e.g. environmental restrictions), and allow additional economic return through the sale of potential development credits (e.g. dwelling units) to another property suitable for more intensive development.

The Washington State Growth Management Act allows for the use of TDR programs: A comprehensive plan should provide for innovative land use management techniques, including, but not limited to, density bonuses, cluster housing, planned unit developments, and the transfer of development rights. (RCW 36.70A.090)

In Comprehensive Plan policies LU-2.1.2 and LU-2.3.7, the City is considering a transfer of density program from R-1 zoned property which is primarily located along Swamp Creek and the Sammamish River to the Downtown. Under this proposal, the base density of 1 unit per acre may be transferred onsite to less constrained property, and four units per acre may only be transferred off-site to a density receiving area such as the Downtown. This section of the Downtown Density Study addresses establishing a TDR program in Kenmore.

LEGAL ISSUES

There are two major court cases concerning the use of TDR programs: Penn Central Transportation Co. v. New York 1978, and Suitum v. Tahoe Regional Planning Agency 1997. In Penn Central the U.S. Supreme Court found permissible the City’s density transfer program protecting landmarks and allowing transfer to lots on the same block or nearby in common ownership (including 8 owned by Penn Central), because it pursued the objective of preserving structures and areas with special historic, architectural, or cultural significance. The Court discussed that a TDR program may mitigate financial burdens, but may not constitute “just compensation” for a “taking” if one had occurred; however, it found that a taking did not occur in the Penn Central case.

The Suitum v. Tahoe Regional Planning Agency case involved a challenge by a property owner restricted to one- percent lot coverage, but with the ability to sell development credits (Schwab 1997). The Tahoe Regional Planning Agency offered appraisals to support that the rights were of significant market value, and was relevant to the issue of a takings. The U.S. Supreme Court found that TDR’s were only relevant in setting the amount of compensation, and not in determining whether there had been a taking. The Court remanded the case for further proceedings. (Bredin 1998)

While the U.S. Supreme Court has indicated that TDR programs may mitigate impacts of restrictive regulations, and some State Courts have found that TDR programs can negate a takings claim, there is one other potential takings problem which should be avoided: Some courts have looked unfavorably upon artificially downzoning a development credit receiving areas – zoning an area significantly lower

than surrounding areas resulting in the need to purchase TDR credits to put together an economically viable development in the receiving area.

SAMPLE TDR PROGRAMS

There are several examples of TDR programs around the country and in the Puget Sound area which are appropriate to consider as Kenmore contemplates instituting its own program:

- **New York City.** The City has the oldest TDR program, established in 1965, to preserve landmarks. The Landmarks Preservation Commission designates landmarks. TDR is offered to landmark owners to allow property owners to receive a reasonable return on their investment. While originally the program allowed TDR only on the same block, amendments over the years have expanded the location of receiving sites. As of 1998, the program was only considered to be mildly successful with over a dozen transfers, primarily because there are other means to achieve density bonuses, and the TDR approval process is cumbersome. However, a new TDR program has recently been applied to 44 theaters in the Broadway district to prevent theater demolition and site conversion. (Bredin 1998)
- **Collier County, Florida.** Collier County enacted a TDR program to protect coastal areas and inland wetlands in this County that includes a portion of the Everglades. The ordinance allows one dwelling unit per two acres to be transferred to receiving properties. The owner of the sending parcel must either donate the property to the County or record an agreement to keep the property in a natural state, except for nature trails, boardwalks, and related uses. As of 1998, the program had transferred 526 units and protected 325 acres. However, County staff believe that the program has not been fully utilized because the existing zoning in the receiving area provides adequate densities without purchasing TDR's. (Bredin 1998)
- **Montgomery County, Maryland.** Montgomery County established a TDR program in 1981 to protect agricultural resources. The rural sending areas had been downzoned from 1 du/5 acres to 1 du/25 acres. These rural sending areas were then allowed to sell dwelling unit credits through a County-created TDR bank to developers of properties along existing highway and railway corridors earmarked for more intensive development. As of 1998, the program resulted in protection of 38,000 acres. The TDR bank has acted as a "market maker," and the value of the credits has been high at \$10,000 per development right (unit).
- **Seattle, WA.** The City of Seattle allows transfers of development rights in the Downtown for the following purposes, affordable housing preservation, landmark preservation, and open space provision. It also has a joint program with King County for a TDR program in the Denny Triangle. The City has established a TDR bank for the purchase and sale of development rights (expressed in floor area). The City's TDR program is zone specific, meaning that different rules apply to specific zones or specified geographic areas. Using this system, some zones only allow transfer of development credits within that particular zone, while other zones may only allow transfer to a different zone. These rules are based on the goals articulated for that geographic location, as specified by the City through codes and policies. For example, the "Downtown Mixed Residential" zone (DMR) development rights cannot be transferred to lots in the same block. The code specifies that rights may only be transferred to "Downtown Office Core 1", and "Downtown Office Core 2" zones, most likely to encourage the construction of housing to support the downtown area and downtown area workers. Interestingly, for projects which pursue bonuses, 5% of the floor area bonus is to come from the purchase of Landmark development rights, if available.

The TDR regulations and approval process are somewhat cumbersome, and a TDR/Bonus Advisory Committee was formed and completed a study to recommend streamlining the program, including refocusing strongly on housing. As a result, the City recently adopted revisions to the zoning code. Through this process, changes were made to various TDR requirements, including removing a landmark theater TDR program which was successfully completed. Through this program, theater owners were given the option of selling development rights to an interested purchaser, thus providing a mechanism to raise money necessary for needed renovations. Although this program was eliminated, it achieved desired outcomes, such as the preservation of the Paramount Theater and Eagles Auditorium, reselling these rights to the YMCA and to a hotel developer. The following list shows the values of purchased and sold development rights, based on City approved ordinances:

- 803 South Lane Street, Affordable Housing: 32,155 square feet purchased in 2001 at a maximum of \$14.00 per square foot, total \$450,170.
 - 420 Wall Street 58,695 square feet purchased in 2001 at a maximum of \$14.00 per square foot, total \$821,730.
 - 2201 First Avenue, 13,766 square feet purchased in 2000 at a maximum of \$12.50 per square foot, total \$172,075.
 - 909 4th Avenue YMCA Limited Partnership, 119,368 square feet valued at \$2,220,399 transferred to the YMCA in exchange for the YMCA providing 20 low income units (and case management) to households affordable to those earning 30% of the median regional income, and providing 300 nominal fee memberships per year for 20 years to low income families and at-risk youth.
- **King County, Washington.** King County adopted a pilot program for the transfer of development credits (TDC) in 1998 for a period of three years (Kenmore has adopted the regulations by virtue of adopting the King County Code as an interim code). The goals of the program are to protect resources lands, fish and wildlife habitat, environmentally sensitive lands, and trails and open space. The program allows for transfers from rural and urban unincorporated areas to cities where interlocal agreements have been reached (e.g. Seattle and the Denny Triangle where a 30 percent increase in height is allowed to accommodate transferred rural development credits), from urban unincorporated to urban unincorporated areas, from the rural to the urban unincorporated areas, and in limited circumstances from rural properties to rural properties. A permanent conservation easement is placed on the sending site to maintain the resource or ecological value of the sending site. Transfers may occur through private-to-private party transactions or through acquisition by the King County TDC Bank. In the 1999 budget, \$1.5 million was appropriated by the County Council for establishment of a TDC Bank, and an additional \$500,000 for urban amenity improvements in the receiving areas. In determining development credits (dwelling units that may be transferred) from the sending properties, full credit is not given for sensitive areas (only 25%) since it is thought that these areas are required to be protected in any case. Up to 50% of a density bonus on a receiving site can come through the purchase of development credits. It also allows TDC to be transferred to Urban R-4 through R-8 where apartments and townhouses can be constructed outright (instead of through a conditional use process as is normally required for these dwelling types in the single family zones).

Recently, the TDC program was changed from pilot to permanent status. Additionally, the County fine-tuned the focus of the program to primarily promote rural to urban density transfer. It added forest production areas as sending sites, and scaled back the allowance for urban unincorporated sending sites to consist of designated urban separators zoned R-1. The TDC Bank recently acquired 56 development credits (units) and protected 285 acres on Sugar Loaf Mountain. The TDC Bank is in the process of selling the credits to a developer in the Denny Triangle area. The money received from

the sale of credits will be rolled over into the TDC bank for future development credit purchases. In the three years since the pilot program was initiated, there have been about 10 property owners who have placed their development credits “for sale,” using the County as a facilitator to match interested buyers with private sellers. (Sollito 2001)

RECOMMENDED APPROACHES

The City has several examples to review when instituting a TDR program. The King County system is currently adopted by the City by virtue of adopting the County code as an interim set of regulations. It is apparent that to make a program successful as Seattle and King County have the City will have to play an active roll, such as establishing a TDR bank and/or facilitating communication between buyers and sellers.

However, at this time, it is unlikely due to market conditions that there will be a great demand to utilize a TDR system (see Downtown Market Study prepared by Property Counselors). Density bonus systems tend to work well if market rents/prices are high, land values are high, and land is scarce. Not all these factors are present at this time. Given the current conditions, the general recommendations at this time include:

- Do not adjust the Downtown base densities to “create” a market for TDR or bonuses (Part 3). Ensure that with minimum densities, development can be phased in a manner which does not preclude higher density/intensity development in the future.
- As part of Policy LU-2.3.7 which promotes an ecological study of the Swamp Creek area and zoning incentives, study and recommend a TDR system that will achieve the City’s goals for both ecological resource protection and Downtown mixed-use, compact development. Consider modifying the King County system modeled after Pinelands, New Jersey and Montgomery County since it appears to be simpler to administer than the Seattle system. Prioritize other density incentives against TDR bonuses, and consider requiring a certain percentage of bonus density to be derived from TDR.
- In the interim, allow for TDR to occur through the County regulations adopted by the City. Eliminate provisions allowing for apartments and condominiums to be permitted outright in the single family zones, since Policy LU-1.3.1 promotes single family uses primarily in the single family zones (will also lead to conditional use allowances for townhomes and apartments in these same zones to be eliminated).

PART FIVE – BARRIERS TO ACHIEVING DENSITIES

What are some regulatory barriers to achieving desired densities (such as limits on the number of wood floors of construction)?

HEIGHT

The Zoning Code regulates building height by zones. Current height limits in Kenmore are listed in **Table G**. As is shown, there are incentives for mixed-use developments with residential dwellings and structured parking.

TABLE G
BUILDING HEIGHT AND FAR – KENMORE (KING COUNTY) REGULATIONS

STANDARD	Neighborhood Business	Community Business	Regional Business	Office
Base Height in Feet	35 ft 45 ft for mixed-use*	35 ft 60 ft for mixed-use*	35 ft 65 ft for mixed-use*	45 ft 60 ft for mixed-use*
Maximum Floor to Lot Ratio in SF	1/1 1.5/1 for 25% residential 2.0/1 for all structured parking and 50% residential	1.5/1 3.5/1 for 50% residential 4.5/1 for all structured parking and 50% residential	2.5/1 4.0 for 50% residential 5.0/1 for all structured parking and 50% residential	2.5/1 4.0 for 50% residential 5.0/1 for all structured parking and 50% residential

Note: * Height limits may be increased when portions of the structure building which exceed the base height limit provide one additional foot of street and interior setback for each foot above the base height limit, provided the maximum height may exceed seventy-five feet only in mixed-use developments.

Despite generous height and floor area ratio standards in the Zoning Code, another set of standards in the Uniform Building Code may limit the ability of a developer to provide higher density, mixed-use structures. For multi-family structures, the Uniform Building Code limits the number of floors, floor area, and height based on the type of construction. Apartments constructed with wood-frame bearing walls are limited to 3 floors and 10,500 square feet, except that one additional story may be allowed if automatic sprinklers are provided. In total, four floors are allowed. To add a fifth floor, different and more expensive construction methods/materials are required (steel, iron, concrete, masonry). This means that a developer may not construct as many units if sufficient return is not possible. Several jurisdictions have amended their Uniform Building Code to allow for a fifth floor of wood frame construction, subject to additional fire suppression standards, including Seattle, Bellevue, Everett and Olympia. Kenmore is now considering such code amendments.

Recommendations - Height

Consistent with Comprehensive Plan Policy LU-2.3.3, the City of Kenmore is reviewing its adopted Uniform Building Code and making amendments to remove barriers to achieving desired densities, such as increased stories of wood frame construction. The City's consulting building inspectors have recommended the following amendments for consideration at this time:

- Allowing building heights of 65 feet (5 stories of wood frame above concrete level)
- Increasing allowed building floor area by 25%.
- Requiring a percentage of windows to be within Fire Apparatus Ladder reach.
- Requiring 2-hour fire protection for the first floor, and for exit stairways.
- Pressurizing elevator shafts and stairway areas, in case of fire to prevent smoke from entering these areas.
- Requiring the equipment of a standby emergency power generator.
- Requiring special inspections of structural elements.
- Limiting the location where the more permissive regulations are allowed (e.g. Downtown).

PARKING

Managing the growth of surface parking represents a major challenge to transit-oriented development such as is planned, primarily in the Northwest Quadrant of SR-522 and 68th Avenue NE and the Transportation Coordination Special District. Typical suburban development projects devote 50 to 75% of their sites to surface parking. The result is land use densities that are too low to serve with frequent and fast regional transit service. A more limited parking supply encourages residents, shoppers, and employees to use transit. (PSRC 1999)

Surface lots can also separate buildings from public streets, making it difficult for pedestrians to walk between buildings and to transit facilities. Parking management provides alternative strategies to traditional surface parking to result in more compact development (PSRC 1999):

- Carefully control the total supply of parking.
- Consider parking charges to control the demand for parking.
- Keep the size of surface lots small (use landscaping, street placement or building design to visually and functionally segment parking lots).
- Design and plan surface lots to convert to other uses over time.
- Encourage the development of parking structures.

While the Kenmore parking requirements encourage structured and shared parking as described above and in Part 3 of this report, the parking standards are minimum requirements not maximums.

Recommendations - Parking

It is recommended that parking requirements be reviewed to ensure sufficient minimum parking standards for uses while also establishing maximum parking levels to prevent perpetuation of current auto-oriented conditions in Downtown Kenmore (e.g. oversupply of parking in Kenmore Village and along SR-522 at many retail complexes).

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- Morris, Marya, ed. (December 1996). Creating Transit-Supportive Land Use Regulations. Planning Advisory Service Report 468. American Planning Association. Chicago, Illinois.
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DENSITY STUDY APPENDICES

Density Study Appendices
Available upon request in Hard Copy
from the City of Kenmore Community Development Department